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Montana State Fund

Guardian

July 1998

CSU Appreciates Internal Customers

By Karen Kay Wegner

Thanks! As a way of saying thanks to our co-workers, the Customer Service Unit instituted Customer Appreciation Weeks. CSU looks forward to making this a yearly event.

Mailroom and Imaging: May 18-22, 1998. The people in the mailroom sort all incoming and outgoing mail, as well as deliver it. The Imaging Department scans all of the claim documents. After an informative tour of this department, CSU came away with a whole new appreciation for the work these people do to keep the State Fund running smoothly.

Claims: June 15-19, 1998. Supervisors, adjusters, and assistants all work with many different people with the common goal to manage claims and return claimants to work. Customer Service Representatives answer claimant questions about checks and bills and also update mailing addresses.

Underwriting: June 22-28, 1998. Policy Services includes four units divided up by zip code and a fifth unit to handle large accounts. They work directly with policyholders and agents. Customer Service Representatives answer questions on payroll and premium reports, policy questions, certificates of insurance. Representatives also write memos for new business, send out applications and take orders for loss runs.

Administration and Finance: June 29-July 2, 1998. This department contains the accounting, accounts payable, accounts receivable, budget, internal actuary, and controller functions. CSU helps on payments or payroll received and sorts out Social Security concerns.

Assessing Communication

These statements can help determine how well an organization communicates with its customers by phone, in writing, or in person.

- **Management strongly endorses** customer communication as a vital organization activity.
- **Written procedures guide** employees in communicating with customers.
- **Customer communication** training is thorough and includes all employees—those who communicate either directly or indirectly with customers.
- **All employees identify** themselves to customers and provide phone numbers for customers to call with any follow-up questions.
- **Management actively seeks ideas** for better customer communication from employees.
- **Call logs are maintained** to track what type of calls are received, and management reviews the logs to detect areas needing improvement.
- **Managers sometimes call** the organization to rate employees' phone skills.

Published monthly by and for the employees of the Montana State Fund.

President's Message

FY99

As we begin a new fiscal year, I want to again express the pride I have in each of you for meeting the many challenges of the last few years head on—and achieving remarkable results.

Now, it is imperative we take the State Fund to the next level of performance. In order to reach that level, we will need to focus on several challenges in FY99.

Premium Stabilization: FY99 is the year we believe this can occur, and we can reverse the current trend of a shrinking book of business.

Producer Program: The local services, statewide coverage, and marketing potential for this program will substantially affect our performance in both the attraction of new business and the retention of existing business.

Systems Implementation: The systems must successfully give us the ability to issue staggered policies, provide expanded insurance producer support and data, effectively manage a dividend program, and bring adjustments to our billing process.

Public Relations and Loss Control Programs: Expanding our efforts to aggressively compete for business along with further development of our loss control services will play a key role in our success in FY99.

Claim Management: Continued success in this area includes emphasis on MCOs, ERTW, fraud, lower case loads, medical and compensation pay lags, 24-hour contact, early reporting, and active medical case management.

As we meet these FY99 challenges, I expect the State Fund to make steady progress to achieve its mission, vision, and strategic goals.

Employee of the Month

Pat Hunt is June's Employee of the Month. In addition to her usual hard work, Pat recently put in extra time and effort to save an important account.

Mr. Blando, the Administrator at Crest Nursing Home in Butte told Pat in March they planned to move to Liberty Northwest if someone from State Fund did not see them by the end of the week. Pat and Jim McCormick went to Butte and listened to his frustrations.

After hearing them, Pat offered to look at the accuracy of the loss reserves on a particular claim, she offered to copy him with claim detail, as well as set up a claims team for Crest. Jim also suggested Crest use an agent to help with the paperwork.

Mr. Blando was very pleased with their efforts and decided to stay with the State Fund.

Pat also traveled to Missoula with Tim Fitzpatrick on a Saturday in February to attend a safety meeting for Missoula Cartage Company. A letter of appreciation from them states, "I really appreciate how you and Mr. Fitzpatrick were able to thoroughly answer all those questions. I am sure that everyone now has a much better idea of how workers' compensation functions and why."

Thanks, Pat for your hard work and the dedication you have to the State Fund.

Kudos Kolumn

Myrna Hammond recently answered a call from Bruce Hockman, Vice President with Towers Perrin in Philadelphia. He specifically stated, "It is the most professional and caring way anyone could ask to be handled over the phone." He added, "We are far and away the best he's come in contact with."

Several policyholders prefer to work with a specific CSR on claim reporting and informational requests. One large policyholder, Alsaker Corporations, recently requested to work specifically with **Myrna Hammond**. It was a real compliment from this policyholder to be selected for this account.

Cheerie Anthony, a bookkeeper for over 30 years with Acme Body Shop, recently told **Lynn Mogstad** that the service she receives is *always* superb, and if private companies provided service the way we did, it would be a much easier world to work in!

Cora Marks of Marks Construction complimented **Bill Cross** on the way he handled a claim investigation. She said he "put her at ease and was so very easy to work with."

Gary and Kevin Peck, producers with Glacier Insurance said **Suzie Shute** did an excellent job to retain Granite Concrete—an account aggressively pursued by Liberty. They are very pleased with Suzie's work.

Brad Salonen, a producer for Western States in Polson complimented **Bernie Hewitt** and said he is very pleased with Bernie's response time, reasoning, and our prices.

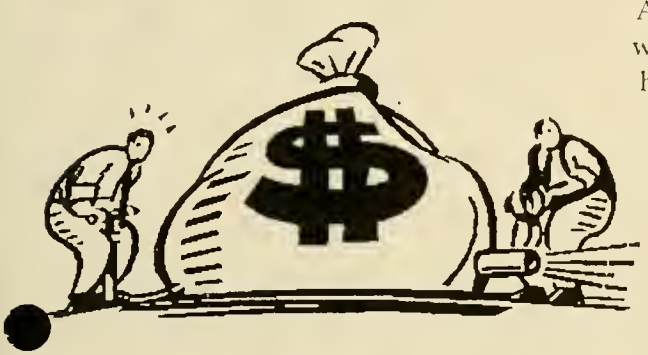
No Insurance Deducted From August Checks

New software is being implemented as part of MTPRRIME which will affect the way health insurance premiums are collected from state payroll. Currently, insurance premiums are collected six weeks ahead of current coverage. With the new software, insurance premiums will be collected for the current coverage period. In order for the system to change to making deductions for the current coverage period, no insurance premiums will be deducted from employees' paychecks during August. Regular deductions will begin again in September. There will not be changes in Flexible Spending Account deductions as they are not currently prepaid.

Also, beginning in December 1998, in months with three paychecks, the "free paycheck" will no longer be the middle check but the last check.

Compensation Corner

By Morgan Hahn, HR Program Coordinator



Awhile back, the question was raised by some staff as to how rounding affects Montana State Fund employees' salaries. You may notice this when the merit adjustments go into effect on September 26 (pay adjustments will be reflected in the October 21, 1998 pay checks). I hope this helps clarify any questions you have.

When calculating merit pay for this performance cycle, some rounding is necessary. The State of Montana, as well as Montana State Fund, round to the third digit. This means that in calculations where the figure goes beyond four places to the right of the decimal point, we round up for numbers 5 and greater, and round down for numbers less than 5. (ex. 1.0325 = 1.033 and 4.4992 = 4.499)

Here is a hypothetical example of how rounding may affect your pay:

Fran is a Medical Payment Technician and is slotted in pay range 1B. This pay range has a midpoint of $19,165. Fran currently has a compa ratio of 88%. Fran's performance met the requirements reflective of an "Achieved Expectations" rating for the performance year. Using the percentage listed in your purple Pay for Performance Compensation Policies, Table 1 (page 27), Fran will receive a 3% merit pay increase.

Fran's current salary is $16,864.64. This calculation is based on the following formula: $19,165 (midpoint) x 0.88 (compa ratio) = $16,865.20.

$16,865.20 is divided by 2080 (work hours in a year) = $8.108 (rounding to the third decimal). To reach the actual salary, the hourly rate is multiplied by the work hours in one year: $8.108 x 2080 = $16,864.64.

Fran's 3% merit increase will be calculated as follows:

$16,864.64 x 0.03 (merit increase) = $505.940. Fran's new salary will be $17,370.58. Fran's new compa ratio will be 91% ($17,370.58 divided by $19,165 (midpoint) = 0.906, which is rounded up to 91%.

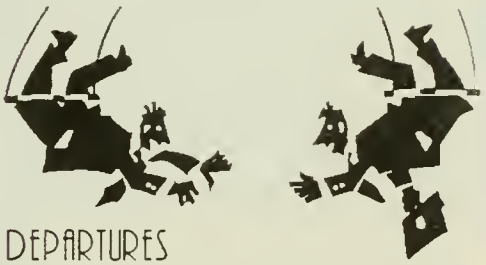
If you have additional questions, please speak with your supervisor, or contact me at 6502.

Human Resources

Personnel changes as of July 24, 1998

NEW HIRES

Chuck Christiansen, HR&Comm
Jill Olson, Executive
Vanessa Byers, Underwriting
Carolyn Perret, Accounting



DEPARTURES

Charlie Adams, Legal
Connie Ferriter, Underwriting

Training Calendar

Getting to Know Administration and Finance, Part 1—August 4; 9-10

Beginning Excel—August 5; 9-noon

Early Return to Work, Supervisors—August 11; 9-11 and August 25; 9-11

Getting to Know the Executive Department—August 12; 9-10

Beginning Excel—August 14; 9-12

Beginning Word—August 19, 20, 21; 9-12

Team Building—August 20; 1:30-3

Conflict Resolution—August 27; 1:30-3

State Fund Summer Picnic

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Jay Phillips

Please call 444-6502 with comments or suggested articles.

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